

Unleashing the creativity of labour

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Something interesting is going on in the city of Stuttgart, one of the regional success stories of the German system of Mitbestimmung, or 'co-determination', where workers have a role in the management of companies. The dominant trend in Germany is of co-determination becoming 'crisis corporatism', in which the unions concede low wages and increases in hours, ostensibly to save jobs. But in Germany's southern manufacturing centre, in contrast, trade unionists are holding out for workers having real control over the conditions and hours of work - and over the purpose of their labour too.

In Stuttgart's public services, the union Verdi has combined a strong fight over wages and conditions with an effective and popular campaign to improve and defend public services. In response, the city government - a coalition of the SPD, Green, Die Linke and local party Stuttgart Ökologisch Sozial - is re-municipalising several services that the previous CDU city government sold off.

Meanwhile, among the 20,000 workers at the Daimler Mercedes factories, a radical grouping in the IG Metall union is also looking beyond bargaining over the price of labour, instead holding out for shorter working hours and an alternative view of the future of the car industry. 'We have a huge amount of intelligence in this factory,' says works council member Tom Adler, also an active member of Stuttgart Ökologisch Sozial. 'It's not beyond the capacity of our designers and engineers to think beyond the motor car.' His view is a minority one, but this critical minority - who publish a factory newspaper, Alternativ - were able to win 25 per cent of the vote for the works council.

The clash of expectations

The reaction of Stuttgart workers to the destruction of public services and the perversion of co-determination indicates that austerity measures are coming slap-bang up against the legacy of two periods of democratic and egalitarian reform. The first is post-war reconstruction, including the welfare state. The second is the system of co-determination, which was strengthened in response to rebellions in the 60s and 70s.

However, the resistance now, in Stuttgart as elsewhere in Europe, is not simply over the erosion of the institutions created in these periods of reform - after all, that erosion has been taking place for at least a decade. It is a profound and uncertain clash of cultures, expectations and increasingly activities, shaped by these periods of reform and rebellion, across generations. People's

expectations, or at least sense of legitimate claims, are for cultural equality as well as moves toward economic equality, and for meaningful and dignified work to match the decades of expansion of higher education.

Economic initiatives shaped by social and ecological values are now coming from many different places, many beyond the familiar sources implied by traditional economic models. They make a long list, including workers getting together more frequently than ever since the 1970s to form co-ops rather than accept the doom laden dictates of the banks, and workers and users of renewable energy similarly choosing co-operation to combine skills to meet needs on the basis of shared values [1].

There are also the spreading networks of autonomous hackers and geeks creating open, non-proprietary, software and therefore effectively creating a key part of the infrastructure of today's society as a digital commons [2]. And the list also includes trade unionists who are taking on the role of organising for the common good in defence, or for the improvement of public services, or to push their company towards climate jobs.

Economic creativity is evident also among activists involved in the movements of the squares and Occupy, for whom these convergences of indignation have also been platforms that enabled them to collaborate and create or strengthen economic alternatives. All kinds of co-ops, cultural and social centres have emerged or been strengthened by these combinations of refusal and creation.

Collaborative creativity

What this variety of activity has in common is that it is based on collaborative forms of creativity: creativity that is non-proprietary, not patented or tied to private property. They all involve forms of labour which cannot be understood in the same terms as the conventional wage contract – the way in which, at present, workers are exactly separated from their creativity, selling it to those who own the means of production. They illustrate ways in which labour could be self-organised, on the basis of social values underlying its purpose, use or context.

The spread of information, knowledge and communication technologies not only enables theoretical expertise and practical knowledge to be shared on a previously unimaginable scale, but also creates tools for co-operation and self-managed co-ordination of the most complex, multi-actor, transnational processes. (These technologies, though, are also a sphere of ambiguity and contestation, as such tools for co-ordination can also be used as tools of sophisticated forms of management surveillance and control.)

All these developments also illustrate the significance of democracy – transparency, participatory decision-making, the recognition of and means of sharing plural sources of knowledge – as a source of productivity, a base for a new economics. The Wisconsin-based academic Joel Rogers calls this 'productive democracy'.

The melting chess board

In this context, talk of 'industrial strategy' now has a rather inanimate, chess board feel about it: one agent of change (the state), the pieces in their place (private companies); the state with an overview, moving them towards the end goal of a bigger GDP. But in reality, the chess board is shaking. Means and goals are in question. The traditional pieces are in meltdown – they look more like figures from Salvador Dali. And no one can be said, if they ever really could, to have an overview.

The conventional wage contract is the way in which workers are exactly separated from their creativity, selling it to those who own the means of production

What would it mean to think about industrial policies not so much in terms of the goal of nudging the private sector to invest, but more in terms of how to release, develop and extend the creativity of labour in its broadest sense? How to expand and strengthen 'productive democracy'? How to enhance the capacities of those whose 'only' means of production is their creative potential – and the social co-operation through which they can develop and realise this potential? Productive democracy and the co-operative creativity of labour are taking many hybrid forms that are beginning to connect. The first step for labour-oriented industrial policies is to explore and understand the potential, the limits and the needs of the ways in which, in practice, a rethinking of labour is taking place beyond the wage contract. This is taking place, as we have already implied, in a number of seemingly separate spheres.

First, it's come from the kinds of challenges that the trade union movement is facing in defending jobs in manufacturing as well as public services. Looking back, we can see the famously inspiring 'alternative corporate plan for socially useful products' – drawn up and campaigned for in the mid-1970s by shop stewards at Lucas Aerospace – as an early example of an alternative coming from workers facing an impasse in terms of traditional defensive trade union strategies.

In the Lucas case it was the result of realising the long term limits of occupations, on their own, as a way of resisting redundancies – and at the same time a determination not to see their skills and those of future generations being wasted when there are so many socially useful purposes to which they could be put. This consciousness, plus initial political support, led the shop stewards to act on the basis of the usefulness of their knowledge, and effectively use the organisational capacity of their Combine Committee (bringing together workers from every factory and level in the company) to share their knowledge and develop an industrial alternative. This was then a focus for collective bargaining and political campaigning for useful jobs.

It was an exemplar of what could have been productive democracy, had the Labour government of the time supported industrial policies geared to releasing the creativity of labour. It was in many ways a product of strong shop floor organisation and bargaining power which is now rare in what is left of manufacturing. But it gives us a glimpse of what is possible.

More recently it has been the challenge of defending public services which has led trade unionists to organise around the purpose and usefulness of their labour. There are many examples here: the collaboration between unions, politicians and public managers that has transformed local government in Norway, making it an almost privatisation free zone; the experiences of union-led transformation in Newcastle city council (as documented in my book *Public Service Reform But Not as We Know It*).

These experiences and many more bear witness to the role of organised labour as a driver of productivity of a public, not necessarily monetary, kind. It is in the public sector that trade unions are more likely to have the bargaining power, extensive organisation and the possibility of time off for trade union and social purposes to be able to have an impact.

The second sphere for the rethinking of labour has been through the renewal of the co-operative movement. And a third development is the powerful and ambiguous trend opened up by the new technology towards new kinds of collaboration is the peer to peer, distributed productions and the digital commons, as referred to earlier. This 'sphere' is not separate: it could expand both the transformative power of workers already rethinking labour in conventional employment, and the scale and reach of co-operatives.

How these trends connect to be a source of mutual strength and learning as self-conscious organisations of social creativity is a vital area to work on around practical issues and shared dilemmas.

Climate jobs and social bargaining

One increasingly significant context of convergence is over 'climate jobs'. We've noted already the growth of co-operatives creating and distributing renewable energy. The ravages of climate change are leading some trade unionists to demand that workers, whether currently unemployed or employed in high-carbon industries, be allowed to deploy their know-how to manufacture wind turbines, solar water heaters and other parts of the infrastructure of a low-carbon economy.

In South Africa for example the metal workers union Numsa has created research and development groups involving shop stewards from all parts of the energy industry, to collectivise their knowledge and that of their communities (who use the solar water heaters, for example). This will be used to develop bargaining and campaigning to pressure employers and the government to implement their commitments to a low-carbon strategy in a way that creates decent jobs for the millions of people currently unemployed.

In the UK too there is a similar trend. The workers' occupation of the Vestas wind turbine factory in 2009 became a focal point for a convergence of trade unions and environmental campaigners, stimulating a campaign for climate jobs that three years on has growing momentum and is bringing together the trade unions and the co-operative movement, with the growth of energy co-ops especially.

Another potential focal point for the mutual reinforcement of different forms of productive democracy is cities. Following the kind of campaigns and policy changes evident in Stuttgart and elsewhere, can the public sector be transformed in a democratic, open and egalitarian direction against the forces of marketisation? If so, it can be a major economic player, especially in urban centres, with considerable bargaining power as contractor, as employer, and as trend-setter and creator of new communicative infrastructure.

Only last month the UN-Habitat chief Joan Clos predicted a tsunami of urbanisation. As workers and citizens get organised in pursuit of shared social and democratic values, including the quality of life and work in their locality, cities could become regional hubs of social bargaining power. After all, global corporations still have to invest in some physical location - and sell to actual people living somewhere.

From animal spirits to the sovereignty of labour

Government policies towards industry for the past 30 years have been based on the notion of private property as the essential condition for economic creativity and wealth creation. Given a punch way beyond its intellectual weight by the 'victory' of the 'free market' in the Soviet bloc, this equation of private business with entrepreneurship and creativity has become one of those ideas of which Keynes remarked: 'Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.'

But Keynes' emphasis on state spending to stimulate the 'animal spirits' of private investors is not sufficient either. It does not do justice to the diffuse sources of economic creativity which have emerged, some of them beyond both capitalist market and state, which could now thrive with the

right kind of public support.

Mariana Mazzucato's work - which proposes and describes a creative, not merely stimulus, role for the state - moves in the right direction. But the state always needs to have creative allies inside production. Historically, for Keynesians as well as neoliberals, this has unquestionably been private business.

The implication of my argument here is that policymakers now need to work on how to support the economic creativity of millions of people, whether in existing workplaces or working precariously outside the formal labour market. At present these capacities are being wasted.

They need specific forms of support, some of it from the state, and some of it from organisations that share or could be persuaded to share their goals. These could include the trade unions, the co-operative movement, some parts of the church, foundations, and the growing experiments in crowdfunding, democratically controlled loan funds and so on.

As far as existing workplaces are concerned, we need states to not only restore and extend rights that protect trade unions in their struggles over wages and conditions, but also to give workers rights to control the purpose of their labour: for example, a legal prohibition on closures or redundancies without alternatives being publicly explored, and in the case of large companies, public inquiries at which alternatives would be presented. Labour is a commons - it should not be wasted.

We need a new kind of 'industrial strategy' - one designed to support the creation of value that is not only monetary and requires autonomy from the pressures of the labour market. These should include a basic 'citizen's income' (see page 34). Shorter working hours would be another measure that would serve a similar end.

Such measures don't just allow people time to be productive outside of waged work - they also create a social framework which offers a way of reconsidering the importance of work versus other social uses of time.

We also need a regional policy that gives real support to cities as hubs of economic development, through direct public employment, and through support for co-ops involving regional banks. These could learn from the operations of the Mondragon bank and become a source of support and co-ordination to networks of co-ops and other collaborative means of nurturing and realising the creativity of labour, rather than operating as banks of the traditional kind.

The experience of Mondragon is important to learn from in terms of institutions, because its institutions' success is based on the sovereignty of labour as the main factor 'for transforming nature, society and human beings themselves'. From this, we see the principle of finance - and by extension, state institutions - serving labour and its creative potential, rather than vice versa.

These are mere illustrations of industrial policies which recognise the capacities of generations shaped by expectations of cultural as well as political and economic equality. To realise these capacities as a resource for a new model of economic development requires rebuilding the distributional gains of the welfare state - but it also requires going further than that.

We need to create not simply full employment, but the conditions by which people can creatively collaborate to meet the needs of a changing society and a precarious planet.

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P.S.

* TNI, 27 September 2012:

<http://www.tni.org/article/unleashing-creativity-labour>

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Wainwright founded the Popular Planning Unit of the Greater London Council during the Thatcher years, and was convenor of the new economics working group of the Helsinki Citizens' Assembly from 1989 to 1994.

Footnotes

[1] see Robin Murray's 'A different way of doing things', Red Pepper Apr/ May 2012

[2] see 'Viral spirals', Red Pepper Aug/Sep 2010 and more recently 'The coming of the commons', Red Pepper Jun/Jul 2012